



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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December 23, 2004

IN REPLY PLEASE

REFER TO FILE: **PM-3**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PUBLIC WORKS HEADQUARTERS SEISMIC RETROFIT PROJECT
REJECT ALL CONSTRUCTION BIDS
AWARD SUPPLEMENTAL AGREEMENT 8
SPECS. 5449R1; C.P. 70476
SUPERVISORIAL DISTRICT 5
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD, ACTING AS THE GOVERNING BODY OF THE LOS ANGELES
COUNTY FLOOD CONTROL DISTRICT:**

1. Reject all construction bids received on June 2, 2004, for the proposed Public Works Headquarters Seismic Retrofit project.
2. Award and authorize the Interim Director of Public Works to execute Supplemental Agreement 8 to Contract PW 11967 with Black & Veatch Corporation to provide additional consultant services for the Public Works Headquarters Seismic Retrofit project for a not to exceed fee of \$534,270 and establish the effective date following Board approval.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended supplemental agreement with Black & Veatch provides additional design and construction administration services for seismic strengthening of the Public Works Headquarters Seismic Retrofit project.

Following the 1994 Northridge earthquake, building inspections throughout the County identified damaged welded connections of certain steel frame structures. Because the

Public Works Headquarters project was constructed with the type of steel frame found to be vulnerable to damage in seismic events and since the building houses the Public Works Emergency Operations Center, a hazard mitigation grant of \$9,750,000 was authorized by FEMA in 1998 to enhance the building's ability to resist stronger earthquakes and provide uninterrupted operation.

On July 2, 2002, your Board authorized \$26,886,000 for the Public Works Headquarters Seismic Retrofit project to be financed by the \$9,750,000 FEMA Hazard Mitigation Grant and \$17,886,000 from the Flood Control District.

On June 17, 2003, your Board adopted plans and specifications for the Public Works Headquarters Seismic Retrofit project consisting of an exterior cable-stayed frame and instructed the Executive Officer to advertise for bids. On July 29, 2003, three bids were received.

On April 13, 2004, your Board approved a revised budget of \$34,400,000 for this project, rejected bids received, and instructed the Executive Officer to readvertise for bids. The resulting bids exceeded the construction budget due to dramatic increases in construction material prices and a continued perception of risk associated with the unique nature of the exterior cable-stayed frame.

To reduce construction costs, the project team evaluated all available options to strengthen the building and found that retrofitting the steel frame connections and column splices will result in a more efficient and cost effective solution. In addition, this approach will replace the exterior curtain wall system reducing the potential for falling or shattering glass during a seismic event.

Supplemental Agreements 1 through 7 for an aggregate amount of \$2,137,394 authorized Black & Veatch to reexamine the external cable-stayed concept as well as begin the design process with the more conventional method of strengthening the building's steel frame. The recommended supplemental agreement is for additional A/E design services to complete the revised design. Due to the revised plan to strengthen the building, the project budget has been reallocated to reflect a \$573,442 reduction in estimated construction costs, a net \$534,270 increase in design services, and a \$39,172 increase to address jurisdictional review and plan check, resulting in no increase to the total project budget.

Following completion of construction documents, preparation of an independent construction cost estimate, and jurisdictional approvals, we plan to return to your Board to adopt plans and specifications and to advertise for bids using a combination of Job Order Contracts and low bid to construct the project.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence as this project will support the hazard mitigation of a public facility and ensure availability of support for the community after a major disaster. These actions also support the goal of Fiscal Responsibility as the project is an investment in public infrastructure.

FISCAL IMPACT/FINANCING

It is expected that the project will be financed from the FEMA Hazard Mitigation Grant mentioned previously and from proceeds of a long-term, tax-exempt bond issue, which is consistent with the Reimbursement Resolution that was approved by your Board on April 13, 2004. The bonds will be repaid from resources of the various Public Works funds proportionately. The project cost will not exceed the previously Board-approved project budget.

Final financing plans will be presented for your Board's approval by the Chief Administrative Officer and Treasurer and Tax Collector at the time of awarding a construction contract.

The Project Schedule and Budget Summary are included in Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard supplemental agreement, in the form previously approved by the County Counsel, will be used. The existing consultant services agreement includes the standard Board-directed clauses that provide for termination of services, renegotiation, hiring qualified displaced County employees, GAIN/GROW, Safely Surrendered Baby Law, Contractor Employee Jury Service Program, and Child Support Compliance Program.

ENVIRONMENTAL DOCUMENTATION

On June 17, 2003, your Board approved a Mitigated Negative Declaration and adopted a Mitigation Monitoring and Reporting Program for the project.

CONTRACTING PROCESS

The negotiated fee has been evaluated by Public Works and is considered reasonable for the scope of work. The proposed fee increases the total amount from \$3,386,612 to \$3,920,882, inclusive of previously approved Supplemental Agreements 1 through 7.

The Honorable Board of Supervisors
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Public Works has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended agreement as this agreement is for non-Proposition A services.

Black & Veatch's Community Business Enterprises participation data and three-year contracting history with the County are on file with Public Works.


IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be limited impacts as a result of construction activities. To mitigate impacts, the majority of heavy construction work will take place during evenings off-hours and weekends behind protective sound, dust, and moisture barrier walls. Construction activities will not impact more than 1/8 to 1/4 of the perimeter of each floor at a given time. The headquarters building will remain open throughout the entire construction period.

CONCLUSION


Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,



for DONALD L. WOLFE

Interim Director of Public Works



DAVID E. JANSSEN
Chief Administrative Officer

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Enc.

cc: Auditor-Controller
County Counsel
Department of Public Social Services (GAIN/GROW Program)
Office of Affirmative Action Compliance

December 23, 2004

ENCLOSURE

**PUBLIC WORKS HEADQUARTERS SEISMIC RETROFIT PROJECT
REJECT ALL CONSTRUCTION BIDS
AWARD SUPPLEMENTAL AGREEMENT 8
SPECS. 5449R1; C.P. 70476**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Board Authorization	03/16/99*	
Notice to Proceed	04/01/99*	
Project Definition/Program	05/22/00*	
Design Contract Execution Supplemental Agreement Construction Document Submittal Jurisdictional Approval	06/20/02* 06/02/03* 06/02/03*	
Construction Bid and Award	07/06/04	03/15/05
Construction Substantial Completion - Seismic Retrofit Acceptance - Seismic Retrofit	03/03/06 04/07/06	03/08/07 04/06/07

* Indicates completed activity

II. PROJECT BUDGET SUMMARY

Budget Category	Project Budget	Impact of this Action	Revised Project Budget
Construction			
Seismic Retrofit/Site Improvements	\$24,137,000	(\$ 540,323)	\$ 23,596,677
Change Orders (10 percent)	2,413,700	(33,119)	2,380,581
Steel Price Contingency	1,000,000		1,000,000
Relocation	56,000		56,000
Subtotal	\$27,606,700	(\$ 573,442)	\$ 27,033,258
Consultant Services			
a) Design Seismic Retrofit	\$ 3,015,552	\$ 882,270	\$ 3,897,882
b) Design Supplements 1 and 2	23,060		23,060
c) Design Site Improvements	348,000	(348,000)	
d) Construction Management	1,048,069		1,048,069
e) Survey, Testing, and Inspection	188,892		188,892
Subtotal	\$ 4,623,573	\$ 534,270	\$ 5,157,843
Miscellaneous Expenditures			
a) Print/Blueprinting/Legal Advertising	\$ 25,000		\$ 25,000
b) Office of Affirmative Action Compliance	4,000		4,000
Subtotal	\$ 29,000	\$ 0	\$ 29,000
Jurisdictional Review and Plan Check	\$ 77,179	\$ 39,172	\$ 116,351
County Services	\$ 1,063,548	\$ 0	\$ 1,063,548
TOTAL	\$33,400,000	\$ 0	\$ 33,400,000